

AGENDA
PUBLIC WORKS BOARD MEETING
April 12, 2005- 8:30 a.m.
Prime Hotel Seattle Airport
18118 Pacific Highway South
SeaTac, Washington

Tab
1

Board Administration

Call to Order
Approve the Agenda (*Board Action*)
Greet New Board Chair, Diana Gale
Review of Board Packet and Materials Distributed to the Board
Introduce Guests and Visitors
Approve the March 1, 2005 Meeting Notes (*Board Action*)
Approve the March 22, 2005 Conference Call Notes (*Board Action*)
Review the Assignment Tracking Report
Report from the Interim-Chair, Executive Committee and Board Members

2

Consent Agenda (*Board Action*)

No Items

Financing Opportunities (*Board Action*)

3

PWTF Emergency Loan Program

- None

PWTF Planning Loan Program

- Skagit County Sewer District #2

PWTF Pre-Construction Loan Program

- Alderwood Water and Wastewater District
- King County Water District #54

Lake Stevens Sewer District
Oak Harbor

Mill Creek
Sedro Woolley

Administration

4

Discuss Board Appointments with the Kim Tanaka – Governor's Office
Status of Bills Affecting the PWTF with Board Staff
Review Proposed Budgets for 05-07 Biennium with Board Staff
Review Status of City/County GMA Planning - Nancy Ousley, CTED
Review Draft Report on Administrative Costs and Options – CTED and Board Staff
Cover Logistics of the May Board Tour with Board Staff
Client Services Update: PWTF/DWSRF Workshops

Public Works Trust Fund Programs (PWTF)

5

- North Beach Public Development Authority (NBPDA)

Drinking Water State Revolving Fund Program (DWSRF) (*Board Action*)

6

Update

Water System Acquisition and Rehabilitation Program (WSARP)

7

Update

Information and Other Items

8

Copy of 2005 Drinking Water SRF Loan Application
Updated List of Board Members

Note: *Anticipated Adjournment time is 11:30 a.m.*

NEXT MEETING: May 3, 2005 (BOARD TOUR) – Spokane, Washington

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PUBLIC WORKS BOARD MEETING NOTES

March 1, 2005

SeaTac, Washington

Board Members Present

Katy Isaksen, Acting Chair
Cus Arteaga
Bob Bandarra
Pat Buckley
Pete Capell
Lynne Danielson
Rebecca Francik
Bill Harrison
Bill Huibregtse
Eric Johnson
Darlene McHenry
Jesse Palacios

Board Members Absent

Staff Members Present

John LaRocque
Bill Cole
Rhonda D. Campbell
Cecilia Gardener
Leslie Hafford
Isaac Huang
Bruce Lund
Enid Melendez
Mike Woods

Guests Present: Sue Mauermann, Deputy Director of CTED; Nancy Ousley, Assistant Director of Local Government Division; Steve Washington, Managing Director Community Programs Unit.

Additional Materials Distributed:

List of Communities Currently Not in Compliance with GMA Requirements
SB 6050
SB 5331
CDBG Handout
PWTF Application Material

Board Actions:

- Approved the amended meeting agenda. (Harrison/McHenry)
- Approved the February 1, 2005 meeting notes. (Harrison/Mc Henry)
- Approved the Consent Agenda. (Palacios/Harrison)
- Approved a pre-construction loan for Rock Island, Terrace Heights Sewer District, and Warden. (Danielson/Johnson – Palacios and Huibregtse recused)
- Approve the 2004 Drinking Water State Revolving Fund loan list. (Huibregtse/Johnson)
- Agreed to have a work session on April 11, 2005 to discuss the Administrative Options Report

Assignment	Responsible	Due Date
Continue contacting jurisdictions at risk with GMA compliance	CSR staff	Until completed
Continue work on the administrative options report	Staff in cooperation with CTED	March 29, 2005 (Mailing Date)

Board Discussions:

- ☛ Katy Isaksen, Acting Chair, called the meeting to order at 8:30.
- ☛ The agenda was modified to move the discussion of administrative options to the end of the meeting. The Board approved the modified agenda. The Board asked to have the agenda permanently modified so that loan decisions were moved to the beginning of the meeting to accommodate local government officials.
- ☛ Guests were introduced.
- ☛ John LaRocque reviewed the packet of materials
- ☛ The Board reviewed and approved the January 4, 2005 meeting notes.
- ☛ A brief update on the legislative session was provided. HB 1049 (Loan List) moved out of the House and is assigned to the Ways and Means Committee. SB 5036 (Companion Loan List) has not been scheduled for a hearing. The Board has been invited to present before the Ways and Means Committee on February 8, 2005 and SB 5036 will be heard at that time.
- ☛ Katy Isaksen informed the Board that the meeting with the Executive Committee that CTED had requested will not take place. Instead she will meet after the Board meeting with Sue Mauermann and Nancy Ousley to discuss administrative matters. She also reported that no decision had been made regarding the new chair.
- ☛ John LaRocque presented an overview of legislation that would affect the Public Works Assistance Account or the Board. The total amount of money withdrawn or redirected from the account was nearing the \$100 million mark for FY 06. The probability that all of the funds would be taken was considered slim at this point. The Board wished to present testimony that registered concern about the impacts on the fund and the jurisdictions being served but elected not to testify against any bill. The Board was reminded that any testimony it chose to give would have to be authorized by OFM.
- ☛ Steve Washington presented information on the proposed federal budget, and its potential impact on the Community Development Block Grant. The proposal would group a number of programs together and significantly reduce their overall budget. CDBG in Washington State would lose a significant amount of money from its financing programs.
- ☛ Nancy Ousley presented information on the status of local governments with regard to the Growth Management Act. A current list of jurisdictions that are out of compliance as of late February 2005, was reviewed. A lengthy discussion about the status of communities facing Growth Management Act issues ensued. The Board remains concerned about the number of jurisdictions on the list, the potential impact on this year's construction loan cycle and

directed staff to continue informing the affected local governments about their status and encourage them to move as quickly as possible to reach compliance.

- A brief status report on the Administrative Options Report was made. Staff thought that the March 29th deadline was still achievable. The Board agreed that a work session should be held on April 11, 2005.
- Cecilia Gardener and Bill Cole presented material on the Government Management, Accountability and Performance program the Governor has initiated. They discussed the performance measurement system currently in place for the Board's programs and informed the Board that additional work was being done. A recommendation to create the "Al Ogden Memorial" award to recognize successful communities was discussed. This will continue to be a topic of discussion for the Board.
- The Board approved the Consent Agenda.
- Cecilia Gardener provided a budget overview for each of the three non-construction programs to include de-obligations.
- Pre-Construction Loans were approved for the City of Rock Island, Town of Warden, and the Terrace Heights Sewer District.
- The Board determined that it was worth continuing the research and taking the time to fully understand the options. It wants a fair and accurate appraisal of the figures, especially related to the specific services included in each cost estimation, and it wanted more time spent developing the "intangible" concepts presented in the draft report. The Board directed staff to continue working on the report, and it requested that CTED and Board staff work together on the research and development of the next draft. That draft is due to the Board on or before March 29, 2005.
- The staff informed the Board that given the recent experience with pre-construction loans, it was likely that balancing factors would be critical for the Board in selecting construction projects this August.
- With no further business, the meeting was adjourned at 11:00 a.m.

PUBLIC WORKS BOARD MEETING NOTES
March 22, 2005
Conference Call - Olympia, Washington

Board Members Present

Katy Isaksen, Acting Chair
Cus Arteaga
Bob Bandarra
Pat Buckley
Lynne Danielson
Rebecca Francik
Bill Harrison
Bill Huibregtse
Eric Johnson

Board Members Absent

Pete Capell
Darlene McHenry
Jesse Palacios

Staff Members Present

John LaRocque
Cathy Brockmann
Rhonda D. Campbell
Cecilia Gardener
Bruce Lund
Enid Melendez
Mike Woods

Guests Present: Sue Mauermann – Deputy Director – CTED and Marie Sullivan – Intergovernmental Relations Director - CTED.

Additional Materials Distributed:

None.

Board Actions:

- Directed staff to prepare legislative testimony
- Directed staff to contact the Office of Financial Management (OFM) to note the Board's support of the Governor's budget

Assignment	Responsible	Due Date
Prepare testimony and related material	Staff	Immediately
Contact the Governor's office on budget	Staff	Immediately

Board Discussions:

- ☛ Katy Isaksen, Acting Chair, called the meeting to order at 9:15.
- ☛ The agenda was reviewed and approved.
- ☛ Participants were introduced.
- ☛ John LaRocque reviewed the Governor's budget and highlighted the Capital Budget including all anticipated program revenue for the 10-Year Capital Plan. Noted: All of the administrative requests were included in the Operating Budget. CERB would receive an additional \$4.5 million in FY06 from the Public Works Assistance Account, the Small Communities Initiative (SCI) \$236,000 and OFM \$200,000 to conduct an inventory of infrastructure resource programs. John stated that given the

circumstances surrounding the deficit, the Governor's budget left the program whole and able to meet its intent.

- ☛ The discussion moved on to ESHB 1903, the bill creates the Job Development Program within the Public Works Trust Fund. It sets aside \$100 million from the account to provide grants to local governments, including ports and tribes to develop infrastructure that creates or sustains jobs. It also calls for an inventory of infrastructure resource programs. There was general agreement amongst the members that the loss of \$100 million over the 07-09 and 09-11 biennia would not benefit the local governments that need the funds to address public health and safety, environmental health and system performance issues. Members also expressed concern about the programs' inability to benefit jurisdictions that did not contribute to the fund. According to Eric Johnson, the Washington State Association of Counties (WSAC) is opposed to the bill. The Association of Washington Cities (AWC) initially supported the bill, but efforts are underway by some cities to have this position changed. The members decided to hold to the Board's plan to "testify with concerns" about the bill and provide legislators information about the impacts of this bill. Material to this effect will be produced by staff and presented by a Board member during an upcoming hearing. Marie Sullivan asked the Board for its thoughts on where the program should be administered. Two members thought that having CERB administer the program was more in line with its mission. Another Board member thought the Board would best administer the program. The general consensus was if the Legislature and Governor assigned it to the Board, the Board would assume the responsibility.
- ☛ The Board considered ESSB 6050, this bill redirects REET revenue into a resource equalization account to support cities and counties struggling to make ends meet. The Board agreed it should provide "testimony with concerns" about the impacts this will have on the Public Works Trust Fund (PWTF). Emphasis made on the Trust Fund working well for 20-years and there is still much left to do. Anything that diminishes the Board's ability to serve local governments raises concerns.
- ☛ ESHB2171 was reviewed. It gives local governments required to update Critical Area Ordinances another 12-months to complete the process. This may or may not provide relief for approximately 93 jurisdictions that may not be eligible to apply to the Public Works Trust Fund this year. Staff will continue working closely with the Growth Management Unit to ensure the loan list for 2006 includes only jurisdictions in compliance with the Growth Management Act.
- ☛ ESHB1458 was discussed. It provides resources to Counties with marine areas to fix failed and failing septic systems. The Board would be responsible for managing the program. No money has been earmarked for this program. A companion bill in the Senate failed to pass. Staff will watch this bill very closely.
- ☛ The Board offered suggestions on improving the one-page information handout drafted by staff.

With no other business, the meeting adjourned at 10:30.

Public Works Board Meeting and Tour

May 3rd, 2005

Spokane, WA

Preliminary Agenda

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|--------------|---|
| 8:00 | Travel from Red Lion Hotel to Board Meeting Site
Host: City of Spokane |
| 8:30 – 9:30 | Board Meeting |
| 10:00-10:45 | Briefing on Spokane Sewage Plant Explosion |
| 11:30 – 1:30 | Lunch/Coyote Rocks Archaeology Site |
| 2:00 – 3:00 | Liberty Lake Sewer Expansion Site Visit |
| 3:30 | Return to Drop-Off Point |

STAFF REPORT DETERMINATION OF APPLICANT ELIGIBILITY

Staff has determined that the North Beach Public Development Authority (NBPDA) is eligible to receive Public Works Trust Fund loans.

Background:

Under its enabling statute, the Public Works Board is authorized to make loans to certain local governments in Washington. RCW 43.155.020(5) defines local governments as *“cities, towns, counties, special purpose districts, and other municipal corporations or quasi-municipal corporation in the state excluding school districts and port districts.”*

In January of 2005, staff was contacted by R D Wilson, Chair of the North Beach Public Development Authority, and requested a determination of eligibility. Given that a Public Development Authority has not requested a determination of eligibility prior to this date, staff requested that NBPDA provide documentation that substantiates that the jurisdiction should be classified as a quasi-municipal government.

The documentation was forwarded to the Public Works Board's Assistant Attorney General to ask for his review and advice concerning NBPDA's eligibility. Based on this review and advice, staff has determined that the North Beach Public Development Authority qualifies for Public Works Trust Fund loans as a quasi-municipal government under RCW 43.155.020(5).

Action:

Staff will notify NBPDA that it is eligible to receive PWTF funding.

Future Steps:

- The standard loan agreement will be reviewed if the Board awards a loan to NBPDA.
- Staff will draft a WAC change to define quasi-municipal corporations. Staff will provide a draft recommendation to the Board at its June, 2005 meeting.